

# DECISION



THE COMPTROLLER GENERAL  
OF THE UNITED STATES  
WASHINGTON, D. C. 20548

FILE:

B-184993

DATE:

6/18/10 98013  
SEP 20 1976

MATTER OF:

Albert C. Logan - Reimbursement for  
Real Estate Expenses Incurred Incident  
to Transfer

DIGEST:

Employee of Drug Enforcement Administration paid some of purchaser's closing costs when he sold his residence in Prince George's County, Maryland, incident to transfer. Employee may not be reimbursed amount paid, although seller frequently assumes some of purchaser's closing costs as inducement for purchaser to buy residence, since such costs are not customarily paid by seller in Prince George's County.

This action is in response to a request dated September 23, 1975, from D. F. Sloan, an authorized certifying officer, United States Department of Justice, Drug Enforcement Administration (DEA), Washington, D.C., for our decision as to whether he may certify for payment a supplemental travel voucher of Mr. Albert C. Logan, an employee of DEA in the amount of \$1,000. The voucher covers expenses paid by Mr. Logan in connection with the sale of his residence at his old duty station incident to his transfer.

The record indicates that Mr. Logan was transferred from Washington, D.C., to New Orleans, Louisiana, effective on or about February 12, 1974, and was authorized an allowance for expenses incident to the sale of a home at the old duty station. Mr. Logan sold his home and claimed reimbursement for the expenses of the sale including an item opposite the caption "\$1,000.00 paid by payee toward the Settlement Cost for purchaser of residence at Maryland." DEA suspended payment because it was "paid toward the purchaser's closing cost of \$1,407.66" and "some of the fees are not customarily paid by the seller." Mr. Logan reclaimed the \$1,000 item and requested that the matter be submitted for our decision.

Paragraph 2-6.3b of the Federal Travel Regulations (FPMR 101-7) (May 1973) states in pertinent part:

"Review and administrative approval of sale and purchase expenses. Applications shall be reviewed by a responsible

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official of the agency. \* \* \* this review and approval are intended to be limited to determining whether the expenses claimed are reasonable in amount and customarily paid by the seller in the locality where the property is located. \* \* \*

Regarding the payment by the seller of a residence of expenses on behalf of the purchaser, we have consistently held that the fact that the practice of a seller assuming a buyer's closing costs by contract is quite common does not raise it to the status of a custom. B-144181, July 29, 1968; B-173414, January 25, 1974. It is only when such arrangements between the seller and the buyer are customary in the locale of the sale that payments of closing costs by the seller on behalf of the purchaser are reimbursable to him. 45 Comp. Gen. 834.(1967).

In the instant case we were informally advised by representatives of the Washington Area Office of the Department of Housing and Urban Development (HUD) that the cost burden of closing and other expenses is frequently shifted between the seller and purchaser in Prince George's County, Maryland, the locale of Mr. Logan's home. Also, we were informed that the seller pays such closing costs as an inducement for the purchaser to buy. However, the practice is not a recognized custom in Prince George's County incident to the sale of real estate. Therefore, the closing costs assumed by Mr. Logan on behalf of the purchaser are not reimbursable to him.

The voucher is returned and may not be certified for payment.

R.T. KELLER

Deputy Comptroller General  
of the United States